

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ARROWOOD SURPLUS LINES INSURANCE
COMPANY, as Successor in Interest to Landmark
American Insurance Company,

Case No. ~~1:08-cv-03703-RJS~~

Plaintiff,

-against-

**STIPULATION AND
ORDER OF DISMISSAL
WITHOUT PREJUDICE**

RY MANAGEMENT CO., INC.,

Defendant.

-----X

Plaintiff Arrowood Surplus Lines Insurance Company ("Arrowood") and
defendant RY Management Co., Inc. ("RY") hereby stipulate and agree as follows:

1. Arrowood dismisses, without prejudice, its claims in this action against RY.
2. In the event of (i) an amendment of the complaint in any of the presently filed Respiratory Injury lawsuits that brings the claims against RY within the insurance coverage provided by Arrowood or (ii) the commencement of a new Respiratory Injury lawsuit that asserts claims within the insurance coverage provided by Arrowood, either Arrowood or RY may reinstate this action or bring a new action, as applicable, with respect to any claim by RY for defense or indemnification of a Respiratory Injury lawsuit following seven days written notice to the other party, with the priority and sequence as set forth below in paragraph 3. For purposes of this Stipulation, "Respiratory Injury lawsuit" shall mean any lawsuit, consolidated under master docket no. 21 MC 100, *In Re World Trade Center Disaster Site Litigation*, 21 MC 102, *In Re World Trade Center Lower Manhattan Disaster Site Litigation*, and 21 MC 103, *In Re Combined World Trade*

Center and Lower Manhattan Disaster Site Litigation (straddler plaintiffs), United States District Court for the Southern District of New York, that names RY as a defendant and alleges respiratory injuries to workers who performed clean-up work after the attacks of September 11, 2001 at certain premises in and around lower Manhattan owned, leased, maintained, operated and controlled by RY that are not listed on the Scheduled Location Endorsement to Landmark American Insurance Company policy number BMG001157, issued to RY Management Co., Inc., for the policy period January 31, 2003 to January 31, 2004. Upon reinstatement of this action or filing of a new action, either Arrowood or RY may assert any claims that have not been finally and fully settled between them, except as to Arrowood's claim for reimbursement of defense costs from RY, which hereby is dismissed with prejudice.

3. As the plaintiff, Arrowood shall have priority to reinstate this action or bring a new action with respect to any claim by RY for defense or indemnification of a Respiratory Injury lawsuit. If Arrowood does not reinstate this action or bring a new action against RY with respect to any claim by RY for defense or indemnification of a Respiratory Injury lawsuit within the seven days after receiving notice from RY per paragraph 2 above, RY may bring a new action with respect to defense or indemnification of a Respiratory Injury lawsuit by filing a complaint.

4. Arrowood and RY expressly waive the operation or application of Rule 41(a)(1) of the Fed. R. Civ. P. with respect to this dismissal without prejudice.

5. This Stipulation is the product of arms-length negotiations. This Stipulation shall not be construed for or against either party on the basis of which party

may have drafted particular language.

6. This Stipulation may be executed in one or more counterparts, all of which shall constitute, and be construed, as a single instrument upon delivery and exchange of such signed counterparts by each of the undersigned.

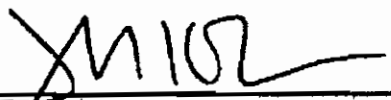
7. A facsimile transmission of the signatures to this Stipulation shall have the same force and effect as though executed in the original.

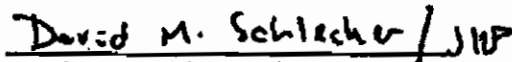
Dated: Uniondale, New York
August 26, 2008

Dated: New York, New York
August 26, 2008

RIVKIN RADLER LLP

REED SMITH LLP

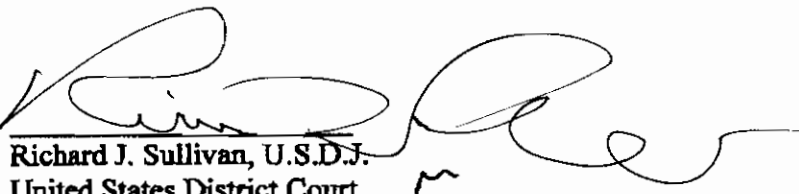

Joseph K. Poe (JP 1960)
926 RexCorp Plaza
Uniondale, New York 11556-0926
(516) 357-3000
(516) 357-3333 (facsimile)


David M. Schlecker (DS 3755)
599 Lexington Ave.
New York, NY 10022
(212) 205-6083
(212) 521-5450 (facsimile)

Attorneys for Plaintiff
ARROWOOD SURPLUS LINES
INSURANCE COMPANY

Attorneys for Defendant
RY MANAGEMENT CO., INC.

SO ORDERED:


Richard J. Sullivan, U.S.D.J.
United States District Court
Southern District of New York
9/2/08